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***Bruno & Tervalon* LLP**
Certified Public Accountants

**SOUTHERN UNIVERSITY AT
NEW ORLEANS FOUNDATION**

**FINANCIAL AUDIT TOGETHER
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5/25/05

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southern University at New Orleans Foundation
New Orleans, Louisiana

We have audited the accompanying statement of financial position of **Southern University at New Orleans Foundation (the Foundation)** as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of **the Foundation's** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **the Foundation** as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 23, 2005

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

Assets

Cash and cash equivalents (NOTE 2)	\$483,425
Due from affiliate (NOTE 3)	8,449
Pledges receivable	<u>15,000</u>
 Total assets	 <u><u>\$506,874</u></u>

Net Assets

Unrestricted	\$ 73,089
Unrestricted-board designated (NOTE 4)	<u>53,862</u>
 sub-total	 126,951
Temporarily restricted (NOTE 5)	<u>379,923</u>
 Total net assets	 <u><u>\$506,874</u></u>

The accompanying notes are an integral part of these financial statements

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues and Other Support</u>			
Student assessment fees	\$ 30,605	\$ -0-	\$ 30,605
Contributions	3,010	205,712	208,722
Special event (less related cost of \$73,181)	-0-	134,943	134,943
Interest	259	1,016	1,275
Other	<u>1,408</u>	<u>-0-</u>	<u>1,408</u>
Total revenue and other support	<u>35,282</u>	<u>341,671</u>	<u>376,953</u>
<u>Expenses</u>			
Program expenses:			
Donations	24,671	-0-	24,671
Accreditation	1,766	-0-	1,766
University support	16,612	-0-	16,612
Decoration-Homecoming	7,500	-0-	7,500
Printing	4,916	-0-	4,916
Band	1,500	-0-	1,500
Choir	3,400	-0-	3,400
Scholarships	52,310	-0-	52,310
Legislative project	4,827	-0-	4,827
Bayou Classic	5,000	-0-	5,000
Miscellaneous	<u>1,075</u>	<u>-0-</u>	<u>1,075</u>
Total program services	<u>123,577</u>	<u>-0-</u>	<u>123,577</u>
General and administrative:			
Professional fees	5,790	-0-	5,790
Miscellaneous	<u>100</u>	<u>-0-</u>	<u>100</u>
Total general and administrative	<u>5,890</u>	<u>-0-</u>	<u>5,890</u>
Total expenses	<u>129,467</u>	<u>-0-</u>	<u>129,467</u>
Change in net assets	(94,185)	341,671	247,486
Net assets, July 1, 2003	<u>221,136</u>	<u>38,252</u>	<u>259,388</u>
Net assets, June 30, 2004	<u>\$126,951</u>	<u>\$379,923</u>	<u>\$506,874</u>

The accompanying notes are an integral part of these financial statements.

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$247,486
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Decrease in due from affiliate	62,759
Increase in pledges receivable	<u>(15,000)</u>
 Net cash provided by operating activities and net decrease in cash and cash equivalents	 295,245
 Cash and cash equivalents, July 1, 2003	 <u>188,180</u>
 Cash and cash equivalents, June 30, 2004	 <u>\$483,425</u>
 Supplemental Disclosure:	
Interest paid in cash	<u>\$-0-</u>

The accompanying notes are an integral part of these financial statements.

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization and Purpose

The **Southern University at New Orleans Foundation (the Foundation)** is a nonprofit corporation organized to promote the educational and cultural welfare of Southern University at New Orleans. The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - Summary of Significant Accounting Policies

Principles of Accounting

The financial statements are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that accept the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Reporting

SFAS No. 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **the Foundation** are included in this category. **The Foundation** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **the Foundation**, and therefore, **the Foundation's** policy is to record these net assets as unrestricted.

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued

Basis of Reporting, Continued

Temporarily restricted net assets include realized gains and losses, investment income and gifts and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor-imposed restrictions.

At June 30, 2004, **the Foundation** did not have any permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, **the Foundation** considers all investment purchases with a maturity of three (3) months or less to be cash equivalents. Cash and cash equivalents at June 30, 2004 consisted of the following:

Operating account	\$ 79,566
Duplicate bridge account	1,421
Endowed chair account	<u>402,438</u>
	<u>\$483,425</u>

NOTE 3 - Due from Affiliate

The Foundation has student assessment fees that are maintained by Southern University at New Orleans which totaled \$8,449 at June 30, 2004.

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Unrestricted-Board Designated Net Assets

As of June 30, 2004, Unrestricted-Board Designated Net Assets consisted of the following:

Emmett W. Bashful Eminent Scholar Endowed Chair	\$34,068
Emmett W. Bashful Eminent Scholar Endowed Chair at student request	<u>10,000</u>
Sub-total	44,068
Southern University at New Orleans - Chancellor's Discretionary Fund	<u>9,794</u>
	<u>\$53,862</u>

NOTE 5 - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2004 are available for the following purposes:

Juliette Bennett Bouie	\$ 329
Duplicate Bridge	2,269
Frank & Hazel Bartley	3,955
Emmett W. Bashful Eminent Scholar Endowed Chair	<u>373,370</u>
Total temporarily restricted net assets	<u>\$379,923</u>

SOUTHERN UNIVERSITY AT NEW ORLEANS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - Concentration of Credit Risk:

Financial instruments that potentially subject **the Foundation** to concentrations of credit risk consist principally of cash and cash equivalent accounts in financial institutions. Cash and cash equivalents exceeded federally insured limits of \$100,000 by \$389,471 as of June 30, 2004.

NOTE 7 - In-Kind Revenues/Expenses

Southern University at New Orleans provides office space, meeting space, utilities costs, telephone costs, and equipment at no cost to **the Foundation**. The value of these benefits has not been recorded in the financial statements since the related amounts have not been determined.